

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WESTERN)	
PULASKI COUNTY WATER DISTRICT FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2021-00445
5:076)	

ORDER

On December 7, 2021, Western Pulaski County Water District (Western Pulaski District) filed an application, pursuant to 807 KAR 5:076, requesting to adjust its monthly water service rates.

The Commission finds that a procedural schedule¹ should be established to ensure the orderly review of Western Pulaski District's application. The procedural schedule is attached as an Appendix A to this Order.

In addition, Western Pulaski District should file on or before January 13, 2022, its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in the Appendix A to this Order, which is attached hereto and incorporated herein, shall be followed.

¹ No action is necessary to suspend the effective date of Western Pulaski District's proposed rates for service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set for in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

2. In addition, Western Pulaski District shall file on or before January 13, 2022, its responses to Commission Staff's First Request for Information, attached to this Order as Appendix B.

3. In addition to the procedural schedule set forth in Appendix A, no later than April 7, 2022, Commission Staff shall file with the Commission and serve upon all parties of record a written report (Staff Report) containing its findings and recommendations regarding Western Pulaski District's requested rate adjustment.

4. No later than 14 days after the date of the filing of the Commission Staff Report, each party of record shall file with the Commission:

a. Its written comments on and any objections to the findings contained in the Commission Staff Report; and

b. Any additional evidence for the Commission to consider.

5. If Commission Staff finds that Western Pulaski District's financial condition supports a higher rate than Western Pulaski District proposes or the assessment of an additional rate or charge not proposed in Western Pulaski District's application, Western Pulaski District in its response to the Commission Staff Report shall also state its position in writing on whether the Commission should authorize the assessment of the higher rate or the additional rate or charge.

6. If Commission Staff finds that changes should be made to the manner in which Western Pulaski District accounts for the depreciation of Western Pulaski District's assets, Western Pulaski District in its response to the Commission Staff Report shall also state its position in writing on whether the Commission should require Western Pulaski District to implement the proposed change for accounting purposes.

7. A party's failure to file written objections to a finding contained in the Commission Staff Report within 14 days after the date of the filing of the Commission Staff Report shall be deemed a waiver of all objections to that finding.

8. If a party requests a hearing or informal conference, then the party shall make the request in its written comments and state the reason why a hearing or informal conference is necessary.

9. A party's failure to request a hearing or informal conference in the party's written response shall be deemed a waiver of all rights to a hearing on the application and a request that the case stand submitted for decision.

10. A party's failure to file a written response within 14 days after the date of the filing of the Staff Report shall be deemed a waiver of all rights to a hearing on the application.

11. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented or the issues and facts the person will present that will assist the Commission in fully

considering the matter. A mere recitation of the quantity of water consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after the date established in the procedural schedule attached as Appendix A to this Order shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

12. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085² regarding filings with the Commission.

² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

By the Commission

ENTERED
DEC 17 2021
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00445

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00445 DATED DEC 17 2021

Requests for intervention shall be filed no later than..... 01/06/2022

All requests for information to Western Pulaski District
shall be filed no later than 01/27/2022

Western Pulaski District shall file responses to requests
for information no later than 02/10/2022

All supplemental requests for information to
Western Pulaski District shall be filed no later than..... 02/24/2022

Western Pulaski District shall file responses to supplemental
requests for information no later than..... 03/10/2022

Commission Staff Report shall be filed no later than..... 04/07/2022

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00445 DATED DEC 17 2021

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO WESTERN PULASKI COUNTY WATER DISTRICT

Western Pulaski County Water District (Western Pulaski District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on January 13, 2022. The Commission directs Western Pulaski District to the Commission's July 22, 2021 Order in Case No. 2020-00085³ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Western Pulaski District shall make timely amendment to any prior response if Western Pulaski District obtains information that indicates the response was incorrect

³ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

when made or, though correct when made, is now incorrect in any material respect. For any request to which Western Pulaski District fails or refuses to furnish all or part of the requested information, Western Pulaski District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Western Pulaski District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected:

- a. The general ledger and trial balance for the calendar years 2020 and 2021 to date.
- b. The trial balance for the calendar years 2020 and 2021 to date.
- c. General Liability Insurance policies for 2020 and the current period, if available.
- d. A document detailing the names, job titles, job description, and pay rates for each employee on December 31, 2018, December 31, 2019, December 31, 2020, and for those currently employed.

e. A description of all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

f. Minutes from Western Pulaski District commissioner meetings for the calendar years 2020 and the current period.

g. A document listing the name of all commissioners for each of the five previous years, and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.).

h. Fiscal Court minutes approving each commissioner's appointment and compensation.

2. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended 2020 in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

3. Refer to Western Pulaski District's Application, Attachment 4, References. Provide the workpapers used to generate the pro forma adjustments in the References page in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

4. Refer to Western Pulaski District's Application, Attachment 4, References, Adjustment F. Provide a list of the current employees who participate in the County Employees' Retirement System for which Western Pulaski District is required to remit contributions.

5. State the last time Western Pulaski District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Western Pulaski District considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Western Pulaski District's system would cause a new COSS to be prepared since the last time it has completed one.

c. If there has been no material changes to Western Pulaski District's system, explain when Western Pulaski District anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for Western Pulaski District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

6. Provide the number of new tap-ons installed by meter size for 2020.

a. State whether Western Pulaski District keeps a record of the dollar amounts of labor and materials used to install new customer taps. If Western Pulaski District does, state the amount of labor expense and materials expense for the test year and where it is located in the general ledger.

b. Separately state the amounts expensed to install each new meter during the test year.

c. Provide revised cost justification sheets to support any changes to the Meter Connection/Tap-on Fee.

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